

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
<b>COUNCIL</b>	<b>5 MARCH 2014</b>

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<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
<b>COUNCIL TAX SETTING 2014/15</b>	<b>FINANCE &amp; RESOURCES</b>	<b>MICHAEL FISHER</b>	<b>8</b>

## **SUMMARY AND LINK TO CORPORATE PRIORITIES**

This report is presented to allow determination of the Council Tax requirement and Council Tax for South Ribble Borough Council for 2014/15. The Council Tax provides the financial resources to help pay for all of the Council's services. It is fundamental in supporting the delivery of all our corporate priorities.

## **PURPOSE**

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2014/15.

## **RECOMMENDATIONS**

That the Council approve the formal Council Tax resolution appended to this report. In doing so, approve the revised budget for 2013/14 along with the Council's budget for 2014/15.

## **DETAILS AND REASONING**

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a Council Tax requirement for the year, not it's budget requirement as previously.

At its meeting on 12<sup>th</sup> February 2014, the Cabinet considered the updated financial strategy and draft budget proposals for the coming year. The Cabinet made a number of recommendations concerning the budget for 2014/15, which included a proposal to freeze Council Tax and for the Council to determine the reduction in Council Tax Support applicable to working age claimants with effect from the 1<sup>st</sup> April 2014. Taking into consideration the proposal to freeze the Band D Council Tax at £208.38 (excluding parish and town council precepts) therefore, the draft resolution, incorporating the recommendations from the Cabinet, is now appended to this report for consideration and approval.

As the "Billing Authority" for the South Ribble area, we also collect the council tax on behalf of the County Council, Police and Crime Commissioner, Combined Fire Authority and Parish/Town councils. The appropriate share of the money collected is paid over to these organisations to help pay for the services they are responsible for delivering. The council tax already agreed separately by each of these organisations, and for which they are individually accountable, is set out below and in the draft resolution.

## Town & Parish Councils

The Town & Parish Council Precepts for 2014/15 are detailed in Appendix C and total £253,300.

As result of the changes included within The Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012, this precept will take into account the cost of localised council tax support for the first time. This change has resulted in the reduction of the tax base across all non-parish and parished areas.

The increase in the average Band D Council Tax for Town and Parish Councils is 9.42 % and results in an average Band D Council Tax figure of £7.55 for 2014/15.

## Lancashire County Council

Lancashire County Council met on 20<sup>th</sup> February 2014 and set their precept at £37,176,308, in addition a contribution of £192,947 will be made from the surplus in the Collection Fund. This results in a Band D Council Tax of £1,107.74, an increase of 1.99% in the current years charge.

## Police and Crime Commissioner for Lancashire

Lancashire Police Authority met on 19<sup>th</sup> February 2014 and set their precept at £5,234,096, in addition a contribution of £27,166 will be made from the surplus in the Collection Fund. This results in a Band D Council Tax of £155.96, an increase of 1.99% in the current years charge.

## Lancashire Combined Fire Authority

Lancashire Combined Fire Authority met on 10<sup>th</sup> February 2014 and set their precept at £2,136,158, in addition a contribution of £11,307 will be made from the surplus in the Collection Fund. This results in a Band D Council Tax of £63.65, no increase when compared to the current years charge.

	<b>2013-14</b>	<b>2014-15</b>	<b>Increase/Decrease</b>
South Ribble Borough Council	£ 208.38	£ 208.38	0.00%
Lancashire County Council	£ 1,086.13	£ 1,107.74	1.99%
Police and Crime Commissioner for Lancashire	£ 152.92	£ 155.96	1.99%
Lancashire Combined Fire and Rescue Authority	£ 63.65	£ 63.65	0.00%
<b>Sub Total</b>	<b>£ 1,511.08</b>	<b>£1,535.73</b>	<b>1.63%</b>
Town & Parish Council Average	£ 6.90	£ 7.55	9.42%
<b>Total</b>	<b>£ 1,517.98</b>	<b>£ 1,543.28</b>	<b>1.67%</b>

## WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas shown below. A risk assessment has also been carried out. The table shows the implications in respect of each of these.

<b>FINANCIAL</b>	The draft resolution in the appendix to the report comprises the formal approval the council's Council Tax requirement for 2014/15.
<b>LEGAL</b>	The Local Government Finance Act 1992 requires billing authorities to fix the council tax for a financial year by 11 March in the preceding financial year.

<b>RISK</b>	None.
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<b>THE IMPACT ON EQUALITY</b>	The setting of Council Tax is legal requirement, and funds the services provided by all the precepting bodies as well as South Ribble Borough Council. Failure to set the Council Tax would adversely affect provision of these services to some of the most vulnerable in society.
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<b>OTHER (see below)</b>	None
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

## **BACKGROUND DOCUMENTS**

Budget report as approved by Cabinet on 12<sup>th</sup> February 2014  
 Technical Updates – Localisation of Council tax Support Scheme report as approved by Cabinet on 8<sup>th</sup> January 2014  
 Council Tax Base 2014/2015 Delegated Decision on 11<sup>th</sup> December 2013  
 South Ribble Borough Council’s Council Tax Support Scheme

Precept letters/emails from:

- Lancashire County Council;
- Lancashire Police Authority;
- Lancashire Combined Fire Authority; and
- Parish/Town Councils.

**THE COUNCIL IS RECOMMENDED TO RESOLVE AS FOLLOWS**

1. That the following be approved:-
  - (a) the revised revenue estimates for the year 2013/2014 and the revenue estimates for 2014/2015.
  - (b) the revised capital budget for the year 2013/2014 and the capital programme for 2014/2015.
  
2. It be noted that on the 11<sup>th</sup> December 2013 the Council calculated the Council Tax Base under a delegated decision for 2014/15 as follows:-
  - (a) For the whole of Council area as 33,560.5 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]  
; and
  - (b) For dwellings in those parts of its area to which Parish precepts relates as attached in Appendix C.
  
3. Calculate that the Council Tax requirement for the Council's own purposes for 2013/14 (excluding Parish precepts) is £208.38.
  
4. The following amounts be calculated for the 2014/15 in accordance with Sections 31 to 36 of the Act:
  - (a) £53,009,884 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish and Town Councils. (This expenditure includes the government tariff payable in respect of business rates of £11,633,658)
  - (b) £45,763,165 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (This income includes business rates baseline funding of £13,723,409).
  - (c) £7,246,719 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
  - (d) £215.93 being the amount at 4(c) above (Item R), all divided by Item T (2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - (e) £253,300 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B).
  - (f) £208.38 being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by Item T (2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

5. To note that the County Council, the Police Authority and the Fire Authority have issued Precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2014/15 for each part of its area and for each of the categories of dwellings.

**South Ribble Borough Council**

Valuation Bands							
A	B	C	D	E	F	G	H
£138.92	£162.07	£185.23	£208.38	£254.69	£300.99	£347.30	£416.76

**Lancashire County Council**

Valuation Bands							
A	B	C	D	E	F	G	H
£738.49	£861.58	£984.66	£1,107.74	£1,353.90	£1,600.07	£1,846.23	£2,215.48

**Police and Crime Commissioner for Lancashire**

Valuation Bands							
A	B	C	D	E	F	G	H
£103.97	£121.30	£138.63	£155.96	£190.62	£225.28	£259.93	£311.92

**Lancashire Combined Fire Authority**

Valuation Bands							
A	B	C	D	E	F	G	H
£42.43	£49.51	£56.58	£63.65	£77.79	£91.94	£106.08	£127.30

7. In accordance with Section 59A of South Ribble Borough Council's Council Tax Support Scheme. That Council determine the reduction in Council Tax Support applicable to working age claimants with effect from the 1<sup>st</sup> April 2014 as being £ 3.50 per week.
8. South Ribble Borough Councils basic amount of Council Tax for 2014/15 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

APPENDIX B

Council Tax Schedule 2014/15	Bands							
	A	B	C	D	E	F	G	H
South Ribble Borough Council	£138.92	£162.07	£185.23	£208.38	£254.69	£300.99	£347.30	£416.76
Lancashire County Council	£738.49	£861.58	£984.66	£1,107.74	£1,353.90	£1,600.07	£1,846.23	£2,215.48
Lancashire Police Authority	£103.97	£121.30	£138.63	£155.96	£190.62	£225.28	£259.93	£311.92
Lancashire Combined Fire Authority	£42.43	£49.51	£56.58	£63.65	£77.79	£91.94	£106.08	£127.30
<b>Total Unparished Areas</b>	<b>£1,023.81</b>	<b>£1,194.46</b>	<b>£1,365.10</b>	<b>£1,535.73</b>	<b>£1,877.00</b>	<b>£2,218.28</b>	<b>£2,559.54</b>	<b>£3,071.46</b>
Farington	£16.47	£19.21	£21.96	£24.70	£30.19	£35.68	£41.17	£49.40
Farington and South Ribble BC	£155.39	£181.28	£207.19	£233.08	£284.88	£336.67	£388.47	£466.16
<b>Farington Total</b>	<b>£1,040.28</b>	<b>£1,213.67</b>	<b>£1,387.06</b>	<b>£1,560.43</b>	<b>£1,907.19</b>	<b>£2,253.96</b>	<b>£2,600.71</b>	<b>£3,120.86</b>
Hutton	£16.25	£18.96	£21.67	£24.38	£29.80	£35.22	£40.63	£48.76
Hutton and South Ribble BC	£155.17	£181.03	£206.90	£232.76	£284.49	£336.21	£387.93	£465.52
<b>Hutton Total</b>	<b>£1,040.06</b>	<b>£1,213.42</b>	<b>£1,386.77</b>	<b>£1,560.11</b>	<b>£1,906.80</b>	<b>£2,253.50</b>	<b>£2,600.17</b>	<b>£3,120.22</b>
Longton	£5.27	£6.14	£7.02	£7.90	£9.66	£11.41	£13.17	£15.80
Longton and South Ribble BC	£144.19	£168.21	£192.25	£216.28	£264.35	£312.40	£360.47	£432.56
<b>Longton Total</b>	<b>£1,029.08</b>	<b>£1,200.60</b>	<b>£1,372.12</b>	<b>£1,543.63</b>	<b>£1,886.66</b>	<b>£2,229.69</b>	<b>£2,572.71</b>	<b>£3,087.26</b>
Penwortham	£11.69	£13.64	£15.59	£17.54	£21.44	£25.34	£29.23	£35.08
Penwortham and South Ribble BC	£150.61	£175.71	£200.82	£225.92	£276.13	£326.33	£376.53	£451.84
<b>Penwortham Total</b>	<b>£1,035.50</b>	<b>£1,208.10</b>	<b>£1,380.69</b>	<b>£1,553.27</b>	<b>£1,898.44</b>	<b>£2,243.62</b>	<b>£2,588.77</b>	<b>£3,106.54</b>
Much Hoole	£8.79	£10.25	£11.72	£13.18	£16.11	£19.04	£21.97	£26.36
Much Hoole and South Ribble BC	£147.71	£172.32	£196.95	£221.56	£270.80	£320.03	£369.27	£443.12
<b>Much Hoole Total</b>	<b>£1,032.60</b>	<b>£1,204.71</b>	<b>£1,376.82</b>	<b>£1,548.91</b>	<b>£1,893.11</b>	<b>£2,237.32</b>	<b>£2,581.51</b>	<b>£3,097.82</b>
Little Hoole	£16.07	£18.74	£21.42	£24.10	£29.46	£34.81	£40.17	£48.20
Little Hoole and South Ribble BC	£154.99	£180.81	£206.65	£232.48	£284.15	£335.80	£387.47	£464.96
<b>Little Hoole Total</b>	<b>£1,039.88</b>	<b>£1,213.20</b>	<b>£1,386.52</b>	<b>£1,559.83</b>	<b>£1,906.46</b>	<b>£2,253.09</b>	<b>£2,599.71</b>	<b>£3,119.66</b>
Samlesbury and Cuerdale	£6.89	£8.03	£9.18	£10.33	£12.63	£14.92	£17.22	£20.66
Samlesbury and Cuerdale and South Ribble BC	£145.81	£170.10	£194.41	£218.71	£267.32	£315.91	£364.52	£437.42
<b>Samlesbury and Cuerdale Total</b>	<b>£1,030.70</b>	<b>£1,202.49</b>	<b>£1,374.28</b>	<b>£1,546.06</b>	<b>£1,889.63</b>	<b>£2,233.20</b>	<b>£2,576.76</b>	<b>£3,092.12</b>

## Parish and Parish Precepts

Parish/ Town Council	2013/14					2014/15		
	Precept £	*Grant from South Ribble Borough Council £	**Balance to be collected £	***Tax Base Band D Equivalent Properties	Band D Equivalent £	Precept £	***Tax Base Band D Equivalent Properties	Band D Equivalent £
Farington	50,000	4,791	45,209	1,994.91	22.66	50,000	2,024.7	£ 24.70
Hutton	21,000	663	20,337	871.45	23.34	21,000	861.5	£ 24.38
Longton	21,100	1,202	19,898	2,949.30	6.75	23,200	2,935.6	£ 7.90
Penwortham	127,600	12,775	114,825	7,298.79	15.73	127,600	7,276.8	£ 17.54
Much Hoole	9,000	587	8,413	678.75	12.39	9,000	683.0	£ 13.18
Little Hoole	16,000	767	15,233	714.73	21.31	17,500	726.2	£ 24.10
Samlesbury & Cuerdale	4,350	213	4,137	482.97	8.57	5,000	484.2	£ 10.33
<b>Total</b>	<b>249,050</b>	<b>20,998</b>	<b>228,052</b>	<b>14,990.90</b>		<b>253,300</b>	<b>14,992.0</b>	

For 2013/14 only

- \* Calculated Parish element of Localised Council Tax Support Grant awarded by South Ribble BC
- \*\* Balance of parish precept to be collected via Council Tax
- \*\*\* Council Tax Base reduced to take into account Cost of Council Tax Support.